

Message Text

LIMITED OFFICIAL USE

PAGE 01 NEW DE 02764 100345 Z

14

ACTION NEA-12

INFO OCT-01 ADP-00 EB-11 INT-08 COME-00 CIAE-00 DODE-00

INR-09 NSAE-00 PA-03 RSC-01 USIA-12 PRS-01 TRSE-00

OMB-01 OEP-01 L-03 SS-14 NSC-10 RSR-01 /088 W

----- 017265

R 091645 Z MAR 73 ZDK

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 3085

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY DHAHHRAN

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY TEHRAN

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

LIMITED OFFICIAL USE NEW DELHI 2764

E. O. 11652: N/ A

TAGS: EGEN, IN, EIND, ENRG

SUBJECT: POSSIBLE INDIAN FUEL RATIONING

REF: BOMBAY 490

1. SUMARY DURING MEETING WITH AMBASSADOR MARCH 8, ESSO INDIA GENERAL MANAGER NEFF REITERATED POINT MADE BY RYAN OF CALTEX MARCH 7 (REFTEL) TO EFFECT COUNTRYWIDE FUEL SHORTAGE IN INDIA MAY BE ANTICIPATED IN NEAR FUTURE. WHILE THIS APPEARS SUPPORT EARLIER UNCONFIRMED REPORTS OF A LIMITED RATIONING PROGRAM INITIATED BY THE GOI LATE IN 1972 , WE ARE OF OPINION MAJOR PETROLEUM PRODUCT SUPPLY CRISIS IS NOT RPT NOT ON IMMEDIATE HORIZON . END SUMMARY.

2. NEFF SAID KEROSENE, GASOLINE AND DIESEL PRODUCT RESERVES AT ESSO' S BOMBAY REFINERY AND AT COMPANY' S UP- COUNTRY DEPOTS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NEW DE 02764 100345 Z

QTE NOW ALMOST NON- EXISTENT UNQTE. REASONS GIVEN FOR RECENT DECLINES IN STOCKS INCLUDED CLAIM MADE BY RYAN (I. E. POOR GOI PLANNING RELATIVE TO CRUDE OIL IMPORTS VIS- A- VIS INCREASING CONSUMER DEMANDS FOR PETROLEUM PRODUCTS), RECENT SHUTDOWNS ESSO AND OTHER COASTAL REFINERIES FOR ROUTINE ANNUAL MAINTENANCE, AND CONTINUATION OF LONG- STANDING GOI/ PRIVATE COMPANY IMPORTED CRUDE OIL PRICE DISPUTES.

3. NEFF SUBSCRIBES TO RYAN VIEW THAT GOI MAY SOON ANNOUNCE RATIONING PROGRAM OF CERTAIN PRODUCTS, BUT HE DID NOT RPT NOT OTHERWISE SPECULATE ON GOI'S SHORT OR LONG RANGE PETROLEUM SUPPLY PROBLEMS. HE SAID HE WAS AWARE OF THE GOI'S CURRENT SEARCH FOR FAVORABLY PRICED PETROLEUM PRODUCTS FROM OUTSIDE SOURCES (REFTEL), BUT DECLINED TO COMMENT ON IMPACT ACCELERATED PURCHASES OF THIS NATURE WOULD HAVE ON COUNTRY'S ECONOMY OR ON REFINERIES OPERATING IN INDIA.

4. COMMENT: UNCONFIRMED REPORTS RECEIVED BY MINATT IN OCTOBER 1972 INDICATED THAT GOI HAD AT THAT TIME QUIETLY INITIATED RATIONING OF PETROLEUM PRODUCTS AT VARIOUS UPCOUNTRY SUPPLY DEPOTS. HOPEFULLY, SUPPLY POSITION WAS TO BE IMPROVED BEFORE IT BECAME NECESSARY TO CURTAIL DELIVERIES TO INDUSTRIES AND HEAVILY POPULATED METROPOLITAN AREAS. WHILE THESE REPORTS REMAIN UNSUBSTANTIATED, RECENT CLAIMS BY ESSO AND CALTEX REPS SUGGEST THAT SHORTAGES MAY WELL HAVE EXISTED FOR SOME MONTHS AND THAT SITUATION MAY BE WORSENING. HOWEVER, WE DO NOT RPT NOT SEE A MAJOR PETROLEUM PRODUCT SUPPLY CRISIS ON IMMEDIATE HORIZON. ADMITTEDLY, GOI CONTINUES REFUSE TO YIELD TO LATEST (JANUARY 1973) CRUDE OIL PRICE INCREASES AND MAY THUS PREFER RATIONING AND/ OR HIGH COST PRODUCT PURCHASES FROM OUTSIDE SOURCES AS TEMPORARY ALTERNATIVES. NONETHELESS, IDLE REFINING CAPACITY EXISTS IN INDIA (AT BURMAH- SHELL, ESSO AND CALTEX). IT SEEMS UNLIKELY GOI WOULD CONTINUE CRUDE OIL IMPORT RESTRICTIONS TO PRIVATE SECTOR REFINERIES IF SHORTAGES APPROACH EMERGENCY LEVELS. ACCORDING NEFF, ESSO REFINERY IS CURRENTLY OPERATING AT THROUGHPUT LEVEL GENERALLY MAINTAINED DURING LAST HALF OF 1972; 54,000 BARRELS DAILY. THIS IS ESSO' LEGALLY LICENSED CAPACITY, AND ABOUT 72 PERCENT OF THIS REFINERY'S FULLY INSTALLED CAPACITY END COMMENT.

DECONTROL MARCH 9, 1974.

MOYNIHAN

LIMITED OFFICIAL USE

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 09 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973NEWDE02764
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730323/aaaahgbc.tel
Line Count: 108
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 BOMBAY 490
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 17 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17-Dec-2001 by shawdg>; APPROVED <08-Jan-2002 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 971110
Subject: POSSIBLE INDIAN FUEL RATIONING
TAGS: EGEN, EIND, ENRG, IN
To: ABU DHABI
BEIRUT
BOMBAY
DHRAHRAN
JIDDA
KUWAIT
NEA

SECSTATE WASHDC

TEHRAN

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005